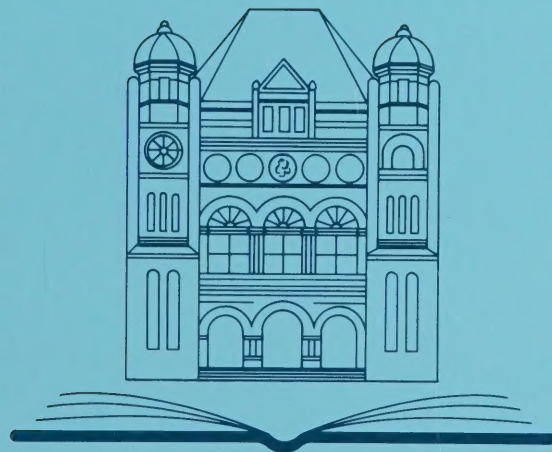


CA20N
XLII
-1996
C171

Government
Publications

**RESIDENTIAL RENT REGULATION
IN CANADA: PAST AND PRESENT ***

Current Issue Paper #171



**ONTARIO LEGISLATIVE LIBRARY
BIBLIOTHÈQUE DE L'ASSEMBLÉE
LÉGISLATIVE DE L'ONTARIO**



Ontario
Legislative
Library



Bibliothèque de
l'Assemblée législative
de l'Ontario

Government
Publications

Legislative Research Service
Room 2520, Whitney Block
99 Wellesley Street West
Toronto, Ontario M7A 1A9

(416) 325-3675
(416) 325-3637
(416) 325-3696 Fax

Service de recherches
Bureau 2520, édifice Whitney
99, rue Wellesley ouest
Toronto (Ontario) M7A 1A9

(416) 325-3675
(416) 325-3637
téléc. : (416) 325-3696

ISSN 0835-0299

**RESIDENTIAL RENT REGULATION
IN CANADA: PAST AND PRESENT ***

Current Issue Paper #171

Prepared by:

Jerry Richmond
and
Carolyn Stobo
Research Officers
Legislative Research Service

Updated August 1996

*The Legislative Research Service is a branch of the Ontario Legislative Library which provides confidential non-partisan research analysis to Members of all parties of the Legislative Assembly and to legislative committees.


Original December 1995

Updated August 1996 by Jerry Richmond



CONTENTS

INTRODUCTION	1
I. PROVINCES REGULATING RESIDENTIAL RENTS	2
II. PROVINCES NOT REGULATING RESIDENTIAL RENTS	2
III. SUMMARY OF CURRENT RENT REGULATION SYSTEMS IN VARIOUS PROVINCES	3
IV. PREVIOUS LEGISLATIVE MEASURES TO REGULATE RENTS IN CANADIAN PROVINCES	8
NOTES	17



Digitized by the Internet Archive
in 2022 with funding from
University of Toronto

<https://archive.org/details/31761115501249>

INTRODUCTION

The regulation of private market residential rents remains a long standing public policy issue. Rent controls were first introduced in various Canadian provinces in the mid-1970s as part of the national anti-inflation measures. Quebec already had a system of rent control in place.

A system of rent control has remained in existence in Ontario in varying forms since its initial introduction. Three major statutes have governed rent control in this province: the Residential Tenancies Act; the Residential Rent Review Act; and the Rent Control Act. Further, each of the three major political parties in Ontario have played a role in the introduction, extension or modification of rent control provisions over the years. The future of rent control is under discussion in Ontario.

In June 1996 the Ontario government released *Tenant Protection Legislation New Directions for Discussion* which will be the focus of public and political discussion on future rent regulation legislation and related matters. This document among its major proposals on rent regulation includes: a form of "vacancy decontrol" whereby unit rents would be decontrolled and could rise to the market level when a unit becomes vacant; the maintenance of the annual rent control guideline for sitting tenants; a capping of capital expenditure increases at 4 percent above the guideline; and the exemption of new construction from control of rents.

As background for the ongoing public policy debate, this paper provides a comparative overview of current residential rent review or rent control programs in the provinces, including Ontario, as reflected in current legislation. Table A sets out the enabling legislation and key features of each of the current rent regulation systems. Since this table highlights existing legislation it does not reflect the recent tenant protection proposals in Ontario. Furthermore, a comparative overview is provided of the various original systems introduced by the ten provinces to regulate rents, including the enabling legislation and key features of each system, as well as the termination or phase-out of such programs where applicable.

There is a distinction that should be noted at the outset between the terms "rent control" and "rent review". The distinction is as follows:

- *Rent control* is a system for the control of rent increases where the landlord will be required to justify rent increases over a pre-set percentage increase guideline or ceiling.
- *Rent review* is a voluntary or mandatory system for the review of rent increases where generally there is no pre-set percentage increase guideline or ceiling.

For simplicity purposes, the term “rent regulation” is used throughout this paper in all cases where a province continues to regulate private market residential rents by a system of either rent control or rent review.

I. PROVINCES REGULATING RESIDENTIAL RENTS

The provinces that regulate residential rents at present by either a system of control or review, or any combination of the two, include British Columbia, Manitoba, Ontario, Quebec, Prince Edward Island and Newfoundland. Nova Scotia has rent regulation legislation that has not been repealed, but ceased regulating rents by administrative actions in 1993.

The nature and complexity of rent control and rent review schemes varies from province to province. The most comprehensive and complex system still in existence, however, remains in Ontario. British Columbia's updated “rent protection” system was only recently re-introduced in 1993 and 1994.

II. PROVINCES NOT REGULATING RESIDENTIAL RENTS

Nova Scotia: The province ceased rent regulation with administrative actions taken by the Minister of Housing and Consumer Affairs in August 1993, although the relevant legislative authority in the original *Rent Review Act* was not repealed. The Minister indicated at the time that, if excessive rent increases become a problem, the regulation of rents will be reinstated.¹ Current indications from the Nova Scotia Department of Business and Consumer Services are that the matter of rental increases in mobile home parks is being reviewed.²

Saskatchewan: The province retains an Office of the Rentalsman within its Justice Ministry. However, effective September 1, 1992 the Rentalsman no longer retained authority to regulate rents. The current authority of the Rentalsman relates to dealing with other landlord and tenant disputes. In recent years vacancy rates in Saskatchewan have risen and rent increases have been moderate. As such, there is no present desire to reinstate rent regulation in the province.³

New Brunswick: The province ceased regulating rents with the repeal of the Residential Rent Review Act in August 1985. This legislation had a sunset clause.⁴

Alberta: Rent control in Alberta was phased out gradually by the Rent Decontrol Act, 1977, terminating completely in June, 1980.

III. SUMMARY OF CURRENT RENT REGULATION SYSTEMS IN VARIOUS PROVINCES

Table A below highlights the current legislation and policies in effect in the six provinces regulating rents updated as of July 1996. The Table is intended to provide highlights of the current subsisting rent regulation systems, however, for specific details the actual legislation or regulations should be consulted.

TABLE A
Comparative Summary of Current Rent Regulation Provisions in Canadian Provinces 1996⁵

PROVINCE AND LEGISLATION (total provincial private rental housing stock estimates for 1995; no. of units) ⁶	COVERAGE	KEY FEATURES
<p>British Columbia⁷ (543,000) <i>Residential Tenancy Amendment Act, 1993</i> (Bill 67), S.B.C. 1993, c. 68.</p> <p>(Note: This Bill received Third Reading on July 21, 1993 and Royal Assent on July 29, 1993. It was proclaimed in stages during 1993 and 1994 and came into force in part in 1993 and 1994.)</p> <p><i>Residential Tenancy Amendment Act, 1994</i> (Bill 50), S.B.C. 1994, c. 57.</p> <p>(Note: This Bill received Third Reading on July 6, 1994 and Royal Assent on July 8, 1994. It was proclaimed in stages and came into force in part in early 1995.)</p>	<p>Provision has been made for a rent review process retroactive to October 1, 1992 with respect to lot or "pad rents" in <i>mobile home parks</i>.⁸</p> <p>Consumer protection provisions have been developed and made applicable to <i>residential tenancies</i> within British Columbia. These include rent protection amendments, involving a procedure for arbitration of unjustifiable rent increases, to be retroactive to December 14, 1993.¹⁰ The amendments "recognize that consumers need protection especially in the tight market for rental housing in British Columbia today."¹¹ The "system is designed to provide protection from rent gouging, not standard rent increases."¹²</p>	<p>A dispute resolution committee (the Manufactured Home Park Dispute Resolution Committee) is established for <i>mobile home parks</i>.⁹ It provides for the mediation of disputes regarding rent increases, maintenance, park rules, services and subletting between mobile home tenants and landlords.</p> <p>The rent protection provisions consist of a dispute resolution process with three steps – clarification, reconciliation and arbitration. They do not include a fixed cap on rent increases nor a rent registry, but involve a method for determining a reasonable rent increase to reflect operating expenses, net income of landlords, and capital expenditures. An arbitrator is given the authority to "adjudicate a disputed rent increase" and "award the justifiable rent increase."¹³ It is intended that the arbitration process will be resolved within 90 days.</p>

PROVINCE AND LEGISLATION (total provincial private rental housing stock estimates for 1995; no. of units) ¹⁴	COVERAGE	KEY FEATURES
Manitoba¹⁵ (118,000) <i>The Residential Tenancies Act, Part 9, S.M. 1990-91, c. 11, as amended</i>	<p>Coverage extends to all private rental units excepting tourist accommodation, caretaker's units while occupied as such, employee's units while occupied as such, rooms in boarding houses, residential units in new buildings for 5 years, where an exemption is granted for rehabilitative schemes under s. 134(2)(b) and any others exempted by Regulation.¹⁶ At present Man. Reg. 156/92 further exempts units where the rent is \$970.00 or more at December 31, 1992, units owned and administered by the federal, provincial or municipal government or agency thereof, as well as listed rental units where rents charged are fixed with Canada Mortgage and Housing Corporation or the Manitoba Housing and Renewal Corporation approval.¹⁷</p>	<p>Increases are permitted once in a 12 month period (with limited exceptions) in the percentage amount prescribed by regulation (1996 increase = 1.0%).¹⁸ There is a provision authorizing landlords in certain circumstances to apply for rent increases exceeding the prescribed percentage, with no maximum increase set out.¹⁹ Such applications require the Director of Residential Tenancies to consider certain matters including prior rents charged in the complex, any increase in actual expenses, capital expenses incurred by the landlord, changes in the services and facilities the landlord provides, any ground of objection tenants make, if there has been a failure to repair, if the complex has been sold in the last 3 years, the increases if any in rent and costs in previous years, etc.²⁰ The calculation of any such increases must be in accordance with the definitions for operating and capital expenses contained in the regulations.²¹</p> <p>There is a provision for an application for a withdrawal of a service, facility, privilege, accommodation or thing other than furniture. On such an application to the Director, a value will be given to the lost service, facility, etc. and an order made directing the rent of the affected tenant(s) to be reduced by this ascribed value.²²</p> <p>Tenants who have received a notice of an increase not exceeding the increase prescribed by regulation may file an objection. The Director must consider on such an application all of the same factors that would be considered on an application by a landlord for an increase in excess of the annual amount of increase prescribed by regulation.²³</p>

PROVINCE AND LEGISLATION (total provincial private rental housing stock estimates for 1995; no. of units) ²⁴	COVERAGE	KEY FEATURES
Ontario (1,478,000) <i>Rent Control Act, 1992</i> (Bill 121), S.O. 1992, c. 11.	<p>Coverage extends to virtually all private rental units. New construction, i.e. residential complexes occupied after November 1, 1991, are exempt from rent control for 5 years.²⁵ Public housing (Ontario Housing Corporation and local housing authorities), non-profit and cooperative housing are exempt.</p> <p>Under the <i>Residents' Rights Act, 1994</i>,²⁶ which received Third Reading on May 16, 1994 and Royal Assent on May 31, 1994, rent control with the rent registry requirements was extended effective November 23, 1993 to the accommodation portion of the monthly charge in "care homes" (private retirement complexes, rest and retirement homes and boarding homes).²⁷</p>	<p>Increases are permitted with notice in accordance with an annually computed rent control guideline, based on inflation and average costs (1996 guideline = 2.8%). Provision is made for increases up to 3% above the guideline for extraordinary operating cost increases or capital expenditures. There is therefore a "cap" on the maximum permitted rent increase. Also there is a provision to reduce rent to reflect a decrease in operating costs, inadequate maintenance or reduced services.</p> <p>A rent registry is maintained whereby information filed is used to compute the maximum rent that might be charged.</p>

PROVINCE AND LEGISLATION (total provincial private rental housing stock estimates for 1995; no. of units) ²⁸	COVERAGE	KEY FEATURES
<p>Quebec²⁹ (1,271,000) <i>Civil Code of Quebec, as amended, R.S.Q., c. 64, as amended</i></p> <p><i>Act respecting the Régie du logement, R.S.Q., c. R-8.1, as amended</i></p>	<p>Coverage extends to all private rental units excepting new construction which is exempt for 5 years, low rental or public housing, co-operative housing, and buildings where their use for residential purposes resulted from a change of use in the last 5 years (i.e., conversions of institutional buildings to residential rental accommodation buildings).³⁰</p>	<p>One increase is permitted within a 12 month period. As with Newfoundland, Quebec has a system of voluntary review where there is no pre-set or prescribed percentage rent increase ceiling. The Régie du logement based on the application of various factors over time, has an annual range for increases each year. Average increases in 1995 were 1.1% for the cases where there were no major repairs or improvements; 3.7% for the cases where there were major repairs or improvements; and 2.9% for all cases.</p> <p>The landlord and tenant under this system are first encouraged to negotiate a settlement on the matters in dispute. If they cannot, the Régie du logement intervenes, and proceeds on a "case-by-case basis".³¹ In considering a rent adjustment matter prior to making a decision, the Régie calculates the estimated gross income from all units of the building and the variation of the property taxes and insurance premiums; applies a different economic index to each of these expenses -power, maintenance and services expenses- in order to estimate their variation; calculates an estimated variation of management costs; takes into account the return on the investment in building and applies a return on major repairs and improvements incurred in the building.³²</p>

PROVINCE AND LEGISLATION (total provincial private rental housing stock estimates for 1995; no. of units) ³³	COVERAGE	KEY FEATURES
<p>Prince Edward Island³⁴ (13,000) <i>Rental of Residential Property Act</i>, S.P.E.I. 1988, c. 58, as amended</p>	<p>Coverage extends to all private rental units excepting residential premises developed and financed under the <i>National Housing Act</i> or the <i>Housing Corporation Act</i> and administered by the federal or provincial government or an agency thereof, non-profit housing, coop housing where the lessee is a member of the cooperative, tourist accommodation, seasonal rentals, educational institution premises for students, therapeutic or rehabilitative service care facilities, etc.³⁵</p>	<p>The Act is administered by the Office of the Director of Residential Rental Property. Increases are permitted once in a 12 month period, such increases in any year not to exceed the amount established by regulation (1996 increase = 2.0%; 1995 increase = 0.0%; 1994 increase was 2.5%).³⁶ A landlord may apply for a rent increase exceeding the prescribed percentage.³⁷ There is no prescribed maximum increase that might be sought, but the Director of Residential Rental Property in holding a hearing must consider a number of factors including whether the increase in rent is necessary in order to prevent the landlord from sustaining a financial loss in the operation of the complex in which the unit(s) is situated, any increased operating costs or capital expenditures, any expectation of the landlord for a reasonable return on the capital investment and any other matters prescribed in the regulations.³⁸</p> <p>Definitions for the purposes of such hearings are contained in the regulations.³⁹</p> <p>A tenant may seek a review by the Director of increases at or less than the prescribed annual percentage amount and the same factors above-noted may be considered by the Director in holding a hearing.⁴⁰</p>

PROVINCE AND LEGISLATION (total provincial private rental housing stock estimates for 1995; no. of units) ⁴¹	COVERAGE	KEY FEATURES
Newfoundland⁴² (41,000) <i>The Residential Tenancies Act</i> , R.S.N. 1990, c. R-14, as amended	Coverage extends to virtually all private residential rental units, excepting only those premises where they are owned or administered by the federal, provincial or municipal government, or an agency of one of them and occupied by social assistance recipients and those premises where the rent is subsidized by the federal or provincial government. ⁴³	<p>The Act is administered by Residential Tenancy Boards established by regulation in different areas of the province.⁴⁴ Increases in rent are prohibited more than once in a 12-month period, unless the landlord has the approval of the Board.⁴⁵ The Board will only become involved upon a request by either a landlord or a tenant for a review of a rent increase and, after a hearing, the Board may set the rent for the premises which can be retroactive, prospective or both.⁴⁶</p> <p>The factors to be considered by the Board in setting the rent upon a request include a fair return on the landlord's investment, the current fair market rental rates, reasonable operating expenses, the quality of life and shelter, the allowance for a capital replacement reserve and such other matters the Board considers appropriate in the circumstances.⁴⁷</p>

IV. PREVIOUS LEGISLATIVE MEASURES TO REGULATE RENTS IN CANADIAN PROVINCES

Table B highlights the previous legislation and policy in all provinces to regulate rents in the period following the announcement of a national program to control wages and prices in September 1975.⁴⁸ These controls were introduced during a period of high inflation to regulate or moderate rent increases. In most cases it was intended that rent controls would be temporary and would be removed when the federal Anti-Inflation Program was dismantled in 1978.⁴⁹ However, political and economic concerns in various provinces have led to the retention, removal, modification or re-introduction of rent control. Ontario from 1976 to date has modified and retained a system of rent regulation that has become both more complex and comprehensive in terms of the range of rental units covered. British Columbia phased out rent control in 1983 and 1984. However, a form of "rent protection" which

provides for the possible review of unjust rent increases was reintroduced in 1993-1994 (see Table A).

TABLE B
Comparative Summary of Rent Regulation Provisions since 1975
in Canadian Provinces

PROVINCE AND LEGISLATION	COVERAGE	KEY FEATURES
British Columbia <i>Residential Premises Interim Rent Stabilization Act, 1974</i> (Royal Assent May 3, 1974)	<p>The legislation was applicable to tenancy agreements after January 1, 1974. Provision was made for exemption of residential premises upon application by municipality by order of Cabinet.</p>	<p>The legislation was designed as an interim measure pending the passage of a new <i>Landlord and Tenant Act</i>.⁵⁰ A guideline increase of 8 percent was specified. Provision was made for a refund to tenants of rent increases that exceeded the permitted amount.</p>
<i>Landlord and Tenant Act, 1974 (Part IV)</i> (Royal Assent June 20, 1974)	<p>The legislation was applicable to most private residential premises excepting residential buildings occupied by the landlord with less than three residential units; non-profit cooperatives; public housing operated by the British Columbia Housing Management Commission; residential premises with rents more than \$500 per month; and, for residential premises first occupied on or after January 1, 1974, a five-year exemption applied.⁵¹</p>	<p>Provision was made for the establishment of a Rentalsman. In November 1974, provision was also made for the establishment of a Rent Review Commission. Allowable rent increases for 1975 were set at 10.6 percent, along with provisions for increases up to 12 percent in buildings containing not more than one residential premise, in the case of renovations on specific conditions, and for consideration of reasonable operating and capital expenses.⁵² Landlords could apply for advance rulings on rent increases due to renovations. Provision was also made for rent increases in mobile home parks, upon application, exceeding 10.6 percent.</p>
<i>Residential Tenancy Act, 1977 (Part VIII - Rental Rates and Increases)</i> (Royal Assent September 1, 1977).	<p>The legislation was applicable to all residential premises, excepting residential premises with two residential units, one of which was occupied by the landlord, public housing operated by the B.C. Housing Management Commission, non-profit cooperatives, and units renting for more than \$500 per month. Effective August 1, 1978 the rent level was reduced to \$400.⁵³ Premises first occupied on or after January 1, 1974, were also exempted.⁵⁴ The legislation allowed for exemption or phased-in "decontrol" based on the size of the unit (i.e. number of bedrooms) and units renting "for more than a prescribed amount".</p>	<p>Provision was made for the continuation of the Rent Review Commission and Rentalsman. A mechanism was established for gradual exemption from controls based upon size of the unit and the rent level. By July 1983, rent control was removed. The possibility of a review of rent increases greater than 15 percent on rents up to \$500 per month continued until July 1984. During the period of controls the following rent ceilings applied: 7 percent from May 1, 1977 until May 16, 1980 and 10 percent from May 17, 1980 until July 6, 1983. Under a long-term agreement with the Rent Review Commission, landlords were eligible to increase rents above these limits by specific amounts over a period of 4 years.⁵⁵</p>

PROVINCE AND LEGISLATION	COVERAGE	KEY FEATURES
<p>Alberta <i>Temporary Rent Regulation Measures Act, 1975</i> (Bill 80)</p> <p><i>Rent Decontrol Act, 1977</i></p>	<p>This legislation was designed as a temporary measure to regulate rents from January 1, 1976 to June 30, 1977. New construction and residential premises not rented during 1975 were exempted to encourage development.⁵⁶</p> <p>Provision was made in the legislation for the gradual phasing out of rent control, commencing July 1, 1977 and ending June 30, 1980.</p>	<p>The legislation applied only to residential premises that were rented during 1975. The permitted rent increase for 1976 was set at 10 percent. For the first six months of 1977, the guideline was set at 9 percent. Allowance for landlords to apply to increase the rent by a sum greater than the permitted increase was made. Provision was also made for the appointment of a rent regulation officer and the establishment of a Rent Regulation Appeal Board.</p> <p>The "rent decontrol limit" was set for various sizes of residential premises (i.e., based on number of bedrooms). As unit rents passed through these limits, over a 3 year period, units became decontrolled. The phase-out period was designed to protect lower income renters for the longest period.⁵⁷ In June 1980 controls were abandoned on the remaining 75,000 - 100,000 rental units.⁵⁸ The lifting of controls was accompanied by a major provincial housing assistance program (\$600 million) and occurred at a time of rapid economic growth.⁵⁹ Rent increases in Edmonton and Calgary averaged 10 to 20 percent.⁶⁰</p>
<p>Saskatchewan</p> <p><i>An Act to Amend the Residential Tenancies Act, 1975</i>⁶¹ (Royal Assent January 28, 1976)</p>	<p>The legislation was retroactively applicable to rents as of December 31, 1974.⁶² The Act was applicable to residential premises in specified cities, towns, villages and hamlets and areas within a five mile radius of these communities, excepting specific municipalities (established by regulation). Residential premises in buildings on which construction was commenced on or after October 1, 1975, residential premises "subject to an agreement with the Central Mortgage and Housing Corporation" (i.e., public housing), and dwelling houses with not more than two premises where the landlord occupies part of the dwelling and a landlord leases a single unit for residential purposes were also exempted from rent regulation.⁶³</p>	<p>Provision was made for the establishment of an Office of the Rentalsman and a Rent Appeal Commission. For 1975 the base rent increase level was set at 10 percent and, for 1976, at 8 percent. Provision was made for the Commission to set base rent levels by regulation for succeeding years. Additional rent increases could be granted by the Rentalsman for renovations and to reflect matters such as revenue from the residential premises, reasonable operating costs, interest costs and so forth.⁶⁴</p>

PROVINCE AND LEGISLATION	COVERAGE	KEY FEATURES
<p><i>Saskatchewan Regulation 193/83, The Residential Tenancies Act</i> (Filed December 14, 1983)</p>	<p>By 1980 and onwards through amendment to the regulation specifying municipalities where this statute applied it appears that a more formal system of rent regulation applied in Regina and Saskatoon and vicinity with the opportunity for review of rent increases in up to 29 smaller municipalities and vicinity.⁶⁵</p> <p>The 1983 regulation specified that formal rent regulation provisions under section 46 of the <i>Residential Tenancies Act</i> would thereafter apply only to residential premises in or within an 8 kilometre radius of the cities of Regina or Saskatoon and that, after February 1, 1984, the formal regulation of rents would be suspended.</p> <p>A less formal rent review function was outlined for Regina and Saskatoon, and vicinities, commencing February 1, 1984, as well as for 29 smaller municipalities and vicinities (within an 8 kilometre radius). New construction was exempted for "the first 4 years following the commencement of construction of the building".⁶⁶</p>	<p>During this period the Residential Tenancies Rent Review Board assumed greater responsibilities including inquiries and decisions respecting rent increases.</p> <p>The Residential Tenancies Rent Review Board assumed responsibility for these administrative changes.</p>
<p><i>Saskatchewan Regulation 2/84, The Residential Tenancies Act</i> (Filed March 29, 1984)</p>	<p>A "rent stabilization program" was commenced with the 1984 regulations, which provided for the mediation of rent increases upon the request of a renter. The program applied to units four years old or more in all communities with populations of more than 2,000 (31 communities) and to areas within an eight kilometre radius of such communities. Dwellings in smaller centres were excluded. Government-built accommodation, landlord-occupied dwellings with only one rental unit, and single-family dwellings being the only accommodation rented by the landlord were also exempted.</p>	<p>Rent stabilization has also been described as "voluntary review".⁶⁷ This program was administered by the Provincial Mediation Board with the Department of Consumer and Commercial Affairs. The possibility of an appeal to the Rent Appeal Commission was provided. Rent increases were limited to approximately 5 percent per year. Increases greater than this amount would only be permitted where landlords had made substantial improvements.⁶⁸</p>

PROVINCE AND LEGISLATION	COVERAGE	KEY FEATURES
<p><i>The Residential Rent Regulation Act, 1983</i></p>	<p>This legislation applied to all private rental units except new construction for 5 years where the first occupancy permit was issued on or after January 1, 1978, tourist accommodation, seasonal accommodation, boarding houses and any others prescribed by regulations including units with rent in excess of \$700 per month and premises renovated in accordance with approved plans for 4 years.⁸¹</p>	<p>One increase of rent within a 12 month period was provided for in the legislation.⁸² Separate provisions were included for increases where tenants had voluntarily vacated the premises in buildings with 3 units or less.⁸³ With respect to general increases a percentage increase guideline or formula was provided in the regulations.⁸⁴</p> <p>Tenants had the ability to dispute increases even if within the annual guideline or formula.⁸⁵ Landlords had the ability to request increases in excess of the annual guideline or formula.⁸⁶</p> <p>This Act has now been incorporated, with modifications, as Part 9 of <i>The Residential Tenancies Act</i>⁸⁷ (see Table A).</p>
<p>Ontario</p> <p><i>Residential Premises Rent Review Act, 1975</i> (Royal Assent December 18, 1975 and deemed in force July 29, 1975)</p> <p><i>Residential Tenancies Act, 1979</i> (Part XI - Rent Review) (Royal Assent June 22, 1979)</p>	<p>This legislation was designed as temporary legislation, originally scheduled for repeal on August 1, 1977. It was extended to November 30, 1979. The legislation only applied to "pre-1976 buildings" (i.e., residential premises occupied as a rental unit before January 1, 1976). Government assisted housing (i.e., public) housing, non-profit and non-profit cooperative housing were also exempt.</p> <p>This legislation was applicable to all rental property except new rental housing (i.e., not occupied as a rental unit before January 1, 1976), and "luxury units" (i.e., those renting for more than \$750 per month).⁸⁸ Exemptions also continued for public housing, non-profit housing, and non-profit cooperative housing.</p>	<p>Maximum permitted rent increases for the period July 29, 1975 to January 1, 1976 were set at 8 percent; increases for period December 31, 1976 and August 1, 1976 were also set at 8 percent.</p> <p>Landlords could apply for additional increases to reflect increased operating costs and capital expenditures. The powers of Rent Review Officer were specified and provision was made for establishment of the Residential Premises Rent Review Board to serve as an appeal body.</p> <p>A Residential Tenancy Commission was established to administer the legislation. The rent increase guideline was set at 6 percent. The guideline remained at this level from December 1, 1979 until July 30, 1985.⁸⁹ Provision was made for additional rent increases to relieve landlords from hardship and for rebates to tenants of illegal rent increases.⁹⁰ Provision was made so that operating costs, financing costs, capital expenditures, financial loss and improvement or deterioration in standard of maintenance and repair could also enter into determinations as to total rent increase.</p>

PROVINCE AND LEGISLATION	COVERAGE	KEY FEATURES
<p><i>Residential Rent Regulation Act, 1986 (Bill 51)</i></p>	<p>The legislation was made applicable to new rental buildings (i.e., "post 1976") and to all private market rent levels.⁹¹ Provision was made so that owners of "new" rental buildings were allowed a phased-in "rate of return" and owners of "old" rental housing buildings (i.e., "pre 1976") were eligible for additional annual increases to eliminate chronically depressed rents. Rents in public and non-profit housing continued to be exempted.</p>	<p>Rent increases were related to an inflation-based, annually-adjusted guideline (the "Residential Complex Cost Index"), with provision being made for "pass through" of other increases above the guideline that would reflect operating costs, financing costs, capital expenditures and extraordinary operating costs. Provisions were made for a Rent Review Hearings Board and Residential Rental Standards Board to develop maintenance standards and to deny rent increases in cases of "substantial non-compliance with a substantial standard". Provision was made for the establishment of a rent registry. Prohibitions were included preventing the charging of "key money" or other unauthorized, additional charges.⁹²</p>
<p>Quebec</p> <p><i>An Act to Promote Conciliation between Lessees and Property-Owners, 1951</i></p> <p><i>An Act to establish the Régie du logement and to Amend the Civil Code and Other Legislation, 1980</i></p>	<p>Most residential rental premises were covered by the legislation, excluding only for certain purposes low-rental housing, dwellings located in buildings less than 5 years old and dwellings leased by a cooperative to a member party.⁹³</p>	<p>The Commission des loyers was established. Among other functions the Commission was charged with ensuring rent increases upon dispute were fair and reasonable.</p> <p>The Régie du logement was established to assume the powers and duties of the Commission des loyers. Procedures for fixing rent were now established in the <i>Civil Code of Lower Canada</i>. Article 1651 set out procedures relating to disputes by new tenants respecting rent provisions. Article 1658 contained the procedures where disputes arose respecting rent at the renewal of existing tenancy agreements.</p> <p>The Régie encouraged negotiations between the parties to arrive at mutually agreed upon terms of extension or renewal, including provisions respecting rent for the upcoming term. If the negotiations did not resolve the dispute, the Régie would receive an application for a determination of the rent.⁹⁴ One increase in rent was permitted in a 12 month period. The same method to fix the rent as described in Table A for Quebec, has been used in this province since 1974.⁹⁵</p>

PROVINCE AND LEGISLATION	COVERAGE	KEY FEATURES
<p>New Brunswick <i>Residential Rent Review Act, 1975</i></p> <p><i>Residential Rent Review Act, 1983</i></p>	<p>This legislation was not applicable to public housing, new construction and other units specified by Regulation.</p> <p>The legislation did not apply to public, non-profit limited dividend housing, educational, special care homes or boarding houses. Exemptions were provided only for units occupied for the first time after August 31, 1982 and units having undergone major renovations (with costs not less than 25 percent of the assessed value of the property), but not for new construction between October 1975 and August 1982. A further exemption was provided for units that had not been rented for the 12 month period preceding the increase.⁹⁶</p>	<p>The original legislation authorized one rent increase in a 12 month period. A percentage increase ceiling was provided. It was 5 percent for 1976, plus property taxes. Landlords could apply for increases above the ceiling, including applications for increases for renovations. Tenants could not appeal an increase unless it was above the prescribed ceiling.</p> <p>The legislation permitted an automatic 6 percent increase which could not be opposed by a tenant. It also provided for "pass through" costs and higher increases than the prescribed percentage, if these could be supported by increased costs in excess of the automatic 6 percent increase.⁹⁷</p> <p>The legislation contained a sunset clause and was repealed in August 1985.⁹⁸</p>
<p>Nova Scotia <i>Rent Review Act, 1975</i></p>	<p>The legislation applied to most residential rental premises, excepting boarding homes, tourist accommodation, educational residences, and premises constructed with building permits issued, provided construction commenced, on or after October 1, 1975.⁹⁹</p>	<p>A Rent Review Commission was created to administer the Act and regulations.</p> <p>One increase in a 12 month period was authorized.¹⁰⁰ A specific percentage increase guideline or ceiling was prescribed. If an increase exceeded the ceiling, it would be reviewed by the Rent Review Commission.¹⁰¹ The ceiling was to be determined for any given year by no later than September 1 of the prior year. Tenants had no ability to challenge increases at or below the annual prescribed ceiling. Landlords had the ability to request increases that exceeded the annual percentage ceiling. Such applications for a rental increases were referred initially to a Residential Tenancy Officer. The Officer would hold a hearing to review certain mandatory factors set out in the Act.¹⁰² The decision of the Officer was subject to further review at the request of either party by the Commission or on the Commission's own initiative.¹⁰³</p>

PROVINCE AND LEGISLATION	COVERAGE	KEY FEATURES
		<p>In August 1993, the Minister of Housing and Consumer Affairs exempted all units from the Act and did not appoint the Commission. The Act, however, was not repealed.¹⁰⁴</p>
<p>Prince Edward Island</p> <p><i>Rent Review Act, 1975</i></p>	<p>The legislation was applicable to most rental units, excepting public and non-profit limited dividend housing, as well as others prescribed by regulation.¹⁰⁵</p>	<p>An Office of the Rentalsman was established to administer the Act.¹⁰⁶</p> <p>There was a rent freeze to January 1, 1976. Thereafter rent increases were limited to a prescribed percentage to be set out each year by regulation, unless there had been no increase the prior year.¹⁰⁷ There were also provisions for a percentage decrease, if the cost of heating was not included in the rent.</p> <p>A tenant could dispute the permitted increase and require a landlord to apply to the Office of the Rentalsman to justify an annual increase.¹⁰⁸ A landlord similarly could apply to the Office of the Rentalsman for an annual increase above the permitted percentage increase.¹⁰⁹ On such applications the Rentalsman was required to consider certain matters including any increase in rent prior to the effective freeze date, whether the increase was necessary to prevent the landlord from sustaining a financial operating loss, and so forth.¹¹⁰</p> <p>This legislation was repealed in 1988, effective January 18, 1989 when the current <i>Rental of Residential Property Act</i> came into force.¹¹¹</p>
<p>Newfoundland</p> <p><i>Landlord and Tenant (Residential Tenancies) Act, 1973</i></p>	<p>The legislation applied to all private rental units, excepting government housing when occupied by social assistance recipients or where rent payable was subsidized by the government.¹¹²</p>	<p>A Residential Tenancies Board was established. No percentage increase guideline or ceiling was prescribed or established. A Residential Tenancies Board upon receiving the request of either a landlord or tenant could proceed to set or fix the rent for a 12 month period. The rent could be fixed even where no increase had been sought by the landlord (i.e., in circumstances where the rental premises had deteriorated and a tenant was seeking a decrease).</p> <p>This legislation is now included in <i>The Residential Tenancies Act</i>.¹¹³</p>

NOTES

¹ Bart Armstrong, "Grit scrapping of rent review clashes with intent of 1975 law", *The Daily News*, 28 August 1993.

² Based upon correspondence dated 16 July 1996 from Greg Mitchell, Manager, Complaints, Inquiries and Compliance, Nova Scotia Department of Business and Consumer Services in Dartmouth at (902) 424-4483.

³ Telephone interview with Gerry Dermody, Investigator, Office of the Rentalsman, Justice Ministry, Regina, Saskatchewan, 20 July 1994.

⁴ *Residential Rent Review Act*, R.S.N.B. 1983, c. R-10.11. Confirmed in correspondence dated 22 July 1994 from Judith C. Budovitch, Chief Rentalsman and Director of Consumer Affairs, Department of Justice, New Brunswick.

⁵ The information in this table is based upon a review of the information on rent control contained in the latest and updated edition of *Williams and Rhodes Canadian Law of Landlord and Tenant* published by Carswell and filed as a reference item in the Legislative Library. Where appropriate, the actual statutes and regulations pertaining to rent control were consulted, as was earlier work on rent control prepared by the Legislative Research Service. In addition, senior officials of the Ontario Ministry of Housing and, where necessary, officials in other provinces were contacted in July 1996 to clarify matters and to obtain the latest information.

⁶ Statistics Canada, *Household Facilities and Equipment 1995*, Catalogue No. 64-202 (Ottawa: Minister of Industry, Science and Technology, 1995), Table 1.5.

⁷ Updated information received on 16 July 1996 from Wendy McKittrick, Policy Specialist, Community Justice Branch, British Columbia Ministry of the Attorney General in Victoria at (604) 387-1754.

⁸ *Residential Tenancy Amendment Act, 1993* (Bill 67), S.B.C. 1993, c. 68. See also British Columbia, Ministry of Labour and Consumer Services, "New Legislation for Landlords and Tenants," *News Release*, 30 June 1993.

⁹ Telephone interview with Anne Preyde, Director, Consumer Policy and Program Development Branch, Ministry of Housing, Recreation and Consumer Services, Victoria, British Columbia, 29 July 1994.

¹⁰ *Residential Tenancy Amendment Act, 1994* (Bill 50), S.B.C. 1994, c. 57.

¹¹ British Columbia, Ministry of Housing, Recreation and Consumer Services, "Fairness in the rental housing market," *Residential Tenancy Amendments for British Columbia 1994* (The Ministry: 1994), p. 1.

¹² Ibid., p. 5.

¹³ *Residential Tenancy Amendment Act*, 1994 (Bill 50), s. 7.

¹⁴ Statistics Canada, *Household Facilities and Equipment 1995*, Catalogue No. 64-202 (Ottawa: Minister of Industry, Science and Technology, 1995), Table 1.5.

¹⁵ Updated as per telephone interview on 16 July 1996 with Laura Gowerluk, Manager, Investigation Services, Residential Tenancies Branch, Manitoba Consumer and Corporate Affairs in Winnipeg at (204) 945-0377.

¹⁶ *The Residential Tenancies Act*, S.M. 1990-91, c. 11, Part 9, ss. 116(1) and (2); See also Manitoba Department of Housing, *A Guide to the Residential Tenancies Act (Bill 13)* ([Winnipeg: The Dept., 1992?]), p. 42.

¹⁷ Man. Reg. 156/92.

¹⁸ S.M. 1990-91, c. 11, Part 9, s. 120(2); see also Ontario, Ministry of Municipal Affairs and Housing, *Rent Regulation in Canada* (Toronto: The Ministry, October 1995), p. 29.

¹⁹ S.M. 1990-91, c.11, Part 9, s. 123(2).

²⁰ Ibid., ss. 123(3) and (4).

²¹ Man. Reg. 156/92, s. 7.

²² S.M. 1990-91, c. 11, Part 9, ss. 139(1) and (2).

²³ Ibid., ss. 121 and 122.

²⁴ Statistics Canada, *Household Facilities and Equipment 1995*, Catalogue No. 64-202 (Ottawa: Minister of Industry, Science and Technology, 1995), Table 1.5.

²⁵ *Rent Control Act*, 1992 (Bill 121), S.O. 1992, c. 11. See also Ontario, Ministry of Housing, "Housing Minister introduces Rent Control Legislation", *News Release*, 6 June 1991, p. 3. The proposed rent control legislation according to the News Release was "to stimulate employment and activity in the development and building sector, . . . exempt[ing] new rental buildings from rent control for a period of five years while rents settle to their market levels."

²⁶ S.O. 1994, c. 2.

²⁷ Ontario, Legislative Assembly, Standing Committee on General Government, *Hansard: Official Report of Debates*, 35th Parliament, 3rd Session (17 January 1994).

²⁸ Statistics Canada, *Household Facilities and Equipment 1995*, Catalogue No. 64-202 (Ottawa: Minister of Industry, Science and Technology, 1995), Table 1.5.

²⁹ Updated based upon correspondence dated 1 July 1996 received from Pierre Marchand, Agent de recherche, Régie du logement, Gouvernement du Québec in Montreal at (514) 873-6575.

³⁰ *Civil Code of Quebec*, R.S.Q., c. 64, as amended at Articles 1984 and 1955; see also Gouvernement du Québec, Régie du logement, *The new Civil Code as it relates to rented dwellings: your rights and obligations before and after January 1, 1994* (Quebec: La Régie, 1993), p. 5.

³¹ Gouvernement du Québec, Régie du logement, *Getting Along, Guide to Tenant-Landlord Relations* (Quebec: La Régie, 1992), p. 19.

³² Based upon July 1996 correspondence from the Régie.

³³ Statistics Canada, *Household Facilities and Equipment 1995*, Catalogue No. 64-202 (Ottawa: Minister of Industry, Science and Technology, 1995), Table 1.5.

³⁴ Updated based upon information received on 18 July 1996 from Boyde White, Director, Rental Property Division, The Island Regulatory and Appeals Commission in Charlottetown at (902) 892-3501.

³⁵ *Rental of Residential Property Act*, S.P.E.I. 1988, c. 58, as amended, s. 20; P.E.I. Reg. EC10/89, s. 1.

³⁶ *Ibid.*, ss. 21 and 23(1); P.E.I. Reg. EC10/89, s. 22; *Rent Regulation in Canada*, p. 8.

³⁷ *Ibid.*, s. 23(3).

³⁸ *Ibid.*, s. 23(8); see also Province of Prince Edward Island, Office of the Director of Residential Rental Property, *Rent Increases* (Charlottetown: The Office, January 1989), at pp. 3-4.

³⁹ P.E.I. Reg. EC10/89, ss. 18(a)-(f).

⁴⁰ S.P.E.I. 1988, c. 58, as amended, s. 23(4).

⁴¹ Statistics Canada, *Household Facilities and Equipment 1995*, Catalogue No. 64-202 (Ottawa: Minister of Industry, Science and Technology, 1995), Table 1.5.

⁴² Updated as per correspondence received on 19 July 1996 from Robert Legrow Director, Real Estate and Landlord Tenant Division, Department of Government Services and Lands, Government of Newfoundland and Labrador in St. Johns at (709) 729-2608.

⁴³ *The Residential Tenancies Act*, R.S.N. 1990, c. R-14, as amended, s. 4(2).

⁴⁴ *Ibid.*, ss. 27(1) and (2).

⁴⁵ *Ibid.*, s. 13(2).

⁴⁶ *Ibid.*, ss. 29(1)(e) and (f) and 36(1).

⁴⁷ *Ibid.*, s. 36(3).

⁴⁸ Frank Clayton and Greg Lampert, "Canadian Experience with Rent Control," *Habitat* 25:2 (1982): 8.

⁴⁹ *Ibid.*

⁵⁰ British Columbia, Legislative Assembly, *Debates of the Legislative Assembly (Hansard)*, 30th Parliament, 4th Session (8 April 1974): 2317.

⁵¹ J.F. Brenner and H.M. Franklin, *Rent Control in North America and Four European Countries* (Washington, D.C.: The Potomac Institute, 1977), p. 43. "Rent Control in British Columbia", *Rent Control Security of Tenure*, Residential Tenancies Project, Background Paper No. 1 (Edmonton: Institute of Law Research and Reform, University of Alberta, November 1975), p. 26.

⁵² *Rent Control Security of Tenure*, pp. 23-24.

⁵³ Heather Fayers, *Landlord/Tenant Rights in British Columbia* (North Vancouver: International Self-Counsel Press Ltd., 1980), p. 8.

⁵⁴ *Ibid.*, p. 10.

⁵⁵ *Landlord/Tenant Rights in British Columbia*, p. 10.

⁵⁶ Alberta, *Hansard*, 18th Legislature, 1st Session (10 December 1975): 1521-1522.

⁵⁷ Lois Bridges, "Alberta rental housing famine as controls ease," *Financial Post*, 28 January 1978, p. 11.

⁵⁸ Henry Mietkiewicz, "Alberta kills rent controls but Ontario stands firm," *Toronto Star*, 5 July 1980.

⁵⁹ Ann Shortell, "Rent review may be the course for most provinces," *Financial Post*, 30 August 1980.

⁶⁰ Ibid.

⁶¹ To assist in the preparation of this table a 1978 consolidated version of Saskatchewan's *Residential Tenancies Act* was consulted.

⁶² David Owen, "Rent Controls: Solution or Problem," *Saskatchewan Law Review* 41 (1977): 3.

⁶³ S. Reg. 67/76 and S. Reg. 138/80.

⁶⁴ In S. Reg. 30/76 further details were specified with respect to capital improvements, operating costs, interest costs, depreciation allowance, and other situations of hardship.

⁶⁵ Ann Shortell, "Rent review may be the course for most provinces," *Financial Post*, 30 August 1980, and "Deeper into rent controls," *Financial Post*, 25 December 1982. See also a spring 1994 article by Louise Legault entitled, "Rent Control - A Tough Habit to Break", *Habitation* 1:2 (Feb/Mar 1984): 41-42, that described rent control in Saskatchewan in the early eighties as follows:

. . . the province is labouring under a very inefficient rent control act. All units in Regina and Saskatoon are subject to control: any landlord who wishes to up his rents must go before the Rentalsman where cases are reviewed on a one-to-one basis according to a complex mathematical formula that sets rent levels. Outside of Regina and Saskatoon tenants can only resort to rent review when a sufficient number of tenants within a building lodge a complaint . . .

⁶⁶ Saskatchewan, Department of Consumer and Commercial Affairs, *Protection for Renters: The Rent Stabilization Program* (Regina: The Dept., March 1984).

⁶⁷ R. Andrew Muller, *The Experience with Rent Regulation in Canada*, Research Report No. 244 (Hamilton: Program for Quantitative Studies in Economics and Population, Faculty of Social Sciences, McMaster University, March 1989), p. 23.

⁶⁸ *Protection for Renters: The Rent Stabilization Program*.

⁶⁹ Saskatchewan, Office of the Rentalsman, *Amendments to the Residential Tenancies Act, 1992*.

⁷⁰ Saskatchewan, Department of Justice, *Annual Report 1992/93* (Regina: The Dept., [1993]), p. 3.

⁷¹ R.R.S. c. R-22, Reg. 2 [repealed by O.I.C. 827/92].

⁷² *The Rent Stabilization Act, 1976*, S.M. 1976, c. 3, s. 2(2).

⁷³ *Ibid.*, s. 13(1) and (2).

⁷⁴ *Ibid.*, ss. 15.

⁷⁵ *Ibid.*, s. 17.

⁷⁶ *Ibid.*, s. 18(1).

⁷⁷ *Ibid.*, s. 19(2).

⁷⁸ *An Act to amend the Landlord and Tenant Act*, S.M. 1980, c. 60, s. 25, amending s. 116(4) of *The Landlord and Tenant Act*.

⁷⁹ *Ibid.*, s. 25 amending s. 116; s. 32 amending ss. 120 and 121; and ss. 18, 19, and 20 amending s. 103 of *The Landlord and Tenant Act*.

⁸⁰ *Ibid.*, s. 32 amending s. 120(6) of *The Landlord and Tenant Act*.

⁸¹ *The Residential Rent Regulation Act*, S.M. 1982, c. 16, s. 2(2).

⁸² *Ibid.*, s. 16(1).

⁸³ *Ibid.*, s. 16(2), (4) - (7).

⁸⁴ *Ibid.*, s. 18(1).

⁸⁵ *Ibid.*, s. 20(2).

⁸⁶ *Ibid.*, s. 21(1).

⁸⁷ S.M. 1990-91, c. 11, as amended.

⁸⁸ As noted in Doumani and Albert, *Ontario Residential Tenancy Law*, p. 1-5, “. . . in the prelude to the 1985 election, the Conservative Government eliminated the \$750 ceiling in October, 1984.”

⁸⁹ Guideline Amounts appear in a table on rent control compiled by the Ontario Ministry of Housing, Rent Control Programs Branch in 1993.

⁹⁰ Ontario, Legislative Assembly, *Hansard: Official Report of Debates* 31st Parliament, 2nd Session (30 October 1978): 4315.

⁹¹ Jerry Richmond, *Rent Review Reform in Ontario, Bill 51-Residential Rent Regulation Act, 1986*, Current Issue Paper #57 (Toronto: Legislative Research Service, March 1987), p. 2.

⁹² *Ibid.*, p. 5.

⁹³ François des Rosiers, *The Rent Control System in Quebec*, Research Study No. 25 (Toronto: Ontario, Commission of Inquiry into Residential Tenancies, 1985), p. 8.

⁹⁴ *Ibid.*, p. 9.

⁹⁵ Based upon updated information received from the Régie in July 1996.

⁹⁶ *Residential Rent Review Act, 1983*, S.N.B. 1983, c. R-10.11.

⁹⁷ *Ibid.*

⁹⁸ *Residential Rent Review Act*, R.S.N.B. 1983, c. R-10.11.

⁹⁹ *Rent Review Act, 1975*, R.S.N.S. 1989, c. 398, ss. 3, 4(h), 37 and 38(1)(c); N.S. Reg. 218/82, s. 1.

¹⁰⁰ *Residential Tenancies Act*, R.S.N.S. 1989, c. 401, s. 11(2).

¹⁰¹ *R.S.N.S. 1989*, c. 398, s. 8.

¹⁰² *Ibid.*, s. 9.

¹⁰³ *Ibid.*, s. 15.

¹⁰⁴ Updated information based on correspondence of 16 July 1996 from the Nova Scotia Department of Business and Consumer Services.

¹⁰⁵ *Rent Review Act, 1975*, S.P.E.I. 1975, c. 82, ss. 1(d) and 11.

¹⁰⁶ *Ibid.*, s. 2.

¹⁰⁷ *Ibid.*, ss. 3(1) and 4.

¹⁰⁸ *Ibid.*, s. 4(4).

¹⁰⁹ *Ibid.*, s. 4(3).

¹¹⁰ *Ibid.*, s. 5(2).

¹¹¹ S.P.E.I. 1988, c. 58, s. 37.

¹¹² Landlord and Tenant (Residential Tenancies) Act, 1973, S.N. 1973, c. 54, s. 5.

¹¹³ R.S.N. 1990, c. R-14.

3 1761 11550124 9

